

Message Text

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PAGE 01 STATE 060042
ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 COME-00 XMB-02 EB-08 TRSE-00
CIAE-00 INR-10 NSAE-00 DOE-11 SOE-02 /056 R

DRAFTED BY COM/OED/MEPD:WHAINES/AF/W:BSKIRKPATRICK:IW
APPROVED BY AF/W:TWMSMITH
EXIM BANK:LGUADAGNOLI (SUBS)
EUR/WE:JDOBBINS
EB/ORF/FSE:JTODD
AF/EP:WHITE (INFO)

-----025753 090325Z /64

P 082326Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY ABIDJAN PRIORITY
INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L STATE 060042

E.O. 11652: XGDS-3

TAGS: ENRG, PEPR, IV, FR

SUBJECT: MAJOR PROJECT-REFINERY EXPANSION

REF: 77 ABIDJAN 9612

1. USDOC AND DEPARTMENT HAVE BEEN CONTACTED BY TWO U.S. FIRMS, FLUOR CORP. AND CHEVRON, WHO ARE COMPETITORS FOR CONTRACTS ON THE DOLS 150 MILLION SIR REFINERY EXPANSION MENTIONED REFTEL. BOTH FIRMS HAVE HEARD THAT THE FRENCH GOVERNMENT HAS MADE STRONG REPRESENTATIONS TO THE GOIC TO PRECLUDE US COMPETITION ON THIS PROJECT, AND THE IVORIANS MAY ALREADY HAVE DECIDED TO NEGOTIATE DIRECTLY WITH THE FRENCH FOR A COMPLETE PACKAGE, INCLUDING FINANCING. (THE FINANCING WOULD, OF COURSE, BE TIED TO PROCUREMENT OF FRENCH SERVICES AND EQUIPMENT.) BOTH FIRMS HAVE ASKED
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THAT THE USG MIGHT WEIGH-IN ON THEIR BEHALF TO ASSURE THAT US PROPOSALS ARE GIVEN FAIR CONSIDERATION.

2. FLUOR STATED THAT FNCB SOURCE IN ABIDJAN HAD SAID THAT DURING RECENT VISIT OF FRENCH PRESIDENT TO IVORY COAST IVORIANS WERE TOLD THAT THEY COULD NOT DEPEND ON THE U.S., U.S. INACTION IN ANGOLA AND ZAIRE WAS CITED. IVORIANS WERE

REPORTEDLY TOLD THAT THEY SHOULD STAY WITH FRANCE. IF
IVORY COAST AWARDED REFINERY CONTRACTS TO THE FRENCH, FRANCE

WOULD LOOK AFTER IVORY COAST. IF NOT, CERTAIN MEASURES
MIGHT BE TAKEN. (THE FOREGOING SHOULD BE REGARDED WITH
CONSIDERABLE CAUTION BECAUSE IT IS THIRD HAND AND FROM AN
OBVIOUSLY INTERESTED SOURCE.)

3. CHEVRON ADVISES THAT THEY ARE ONE OF THREE US COM-
PETITORS FOR LICENSING THE HYDROCRACKING TECHNOLOGY ON
THIS PROJECT. OTHER TWO ARE UNION OIL AND UOP. FRENCH
CONTENDER IS INSTITUT FRANCAIS DU PETROL (IFP). USDOC
BELIEVES THAT THERE IS NO QUESTION THAT US FIRMS HAVE
SUPERIOR TECHNOLOGY IN THIS FIELD. ACCORDING TO CHEVRON,
IFP HAS NO COMMERCIAL PLANTS OPERATING IN THE WORLD
OUTSIDE OF RUSSIA AND FRANCE. US COMPANIES ON THE OTHER-
HAND ARE RESPONSIBLE FOR A MAJORITY OF THE WORLD'S
HYDROCRACKING CAPACITY.

4. FLUOR IS AN ENGINEERING CONSTRUCTION CO. AND, ACCORD-
ING TO THE COMPANY, HAS BUILT 30 PERCENT OF THE WORLD'S
HYDROCRACKING FACILITIES. WE KNOW THAT THE LUMMUS CO.,
ANOTHER WELL KNOWN US DESIGN CONSTRUCTOR, HAS ALSO PRESENT-
ED A PROPOSAL ON THE PROJECT, AND WE ARE TRYING TO REACH
THE COMPANY REPRESENTATIVE RESPONSIBLE FOR THIS PROJECT.
WE SUSPECT THE FRENCH CONTENDER IS TECHNIP.
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5. FLUOR HAS DISCUSSED PROJECT FINANCING WITH EXIM BANK.
SEVERAL US COMMERCIAL BANKS, INCLUDING CITIBANK, ARE EX-
TREMELY INTERESTED. EXIM BANK ADVISES THAT THIS IS THE
TYPE OF PROJECT EXIM BANK COULD CONSIDER.

6. IVORIAN DECISION ON THIS PROJECT IS OFFICIALLY EXPECTED
BY MARCH 20. WE WOULD LIKE ANY INFORMATION EMBASSY COULD
DEVELOP ON FRENCH OFFER, ESPECIALLY RE TERMS OF FINANCING
PACKAGE. EMBASSY MIGHT ALSO CONSIDER MAKING HIGH LEVEL
REPRESENTATION ON BEHALF OF US CONTENDERS, DRAWING ON INFO
CONTAINED ABOVE.

VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONTRACTS, REFINERIES, TRADE ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE060042
Document Source: CORE
Document Unique ID: 00
Drafter: WHAINES/AF/W:BSKIRKPATRICK:IW
Enclosure: n/a
Executive Order: X3
Errors: N/A
Expiration:
Film Number: D780105-0685
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780391/aaaacyux.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b5e90fcb-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 ABIDJAN 9612
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3398438
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT-REFINERY EXPANSION
TAGS: ENRG, PEPR, IV, FR
To: ABIDJAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b5e90fcb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014